



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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11 JULY 1966

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1. Vietnam

Peking has once again emphasized that the Vietnamese and not the Chinese must carry the primary responsibility for conducting the war. A People's Daily article yesterday declared that "the people can and should rely only on themselves to make revolution and wage people's war in their own country" and "be prepared to carry on the struggle by themselves should all material aid from the outside be cut off."

Chinese propaganda has long stressed the theme of "self-reliance"; it dates from 1957 and originates with Mao. This theme is coupled with the assertion that Peking will always aid "people's revolutionary struggles" as part of its socialist obligations."

The appearance of the People's Daily article at this time, however, is further indication that Peking does not view the recent US bombing of petroleum installations as requiring any change in their policy toward the war.

The Chinese will, however, undoubtedly continue their present level of support and will probably assist the Vietnamese in developing new and alternative methods for importing and distributing POL supplies.

2. West Germany

Chancellor Erhard took a sharp personal setback in Sunday's election in North Rhine - Westphalia, the most populous and industrialized state in the country. Despite the chancellor's extensive campaign effort, the opposition Social Democrats scored an upset and came very close to winning a legislative majority. This is going to encourage Erhard's opponents within his own party, and he may feel under pressure to improve his vote-getting record in other state elections later on.

3. Indonesia

The next three months or so will be a period of reorganization and consolidation for the Indonesians. The US Embassy in Djakarta believes that Suharto will remain the key figure and that his strength will grow. Sukarno will probably still be around in September, but with a narrowing field of action.

In foreign policy, the new regime will be seeking at least a formal end to the confrontation with Malaysia.

It will return to the UN before the September session of the General Assembly. It will try to rebuild the country's other ties with the non-Communist world, mainly in quest of substantial foreign aid. Cordial gestures will also be made toward Eastern Europe and the Soviet Union in order to blunt the offense given by the regime's rejection of Marxism-Leninism.

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The economy will remain in serious shape, but can rock along. The embassy doubts that economic troubles will precipitate a political disturbance.

4. Indonesia

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5. Communist China

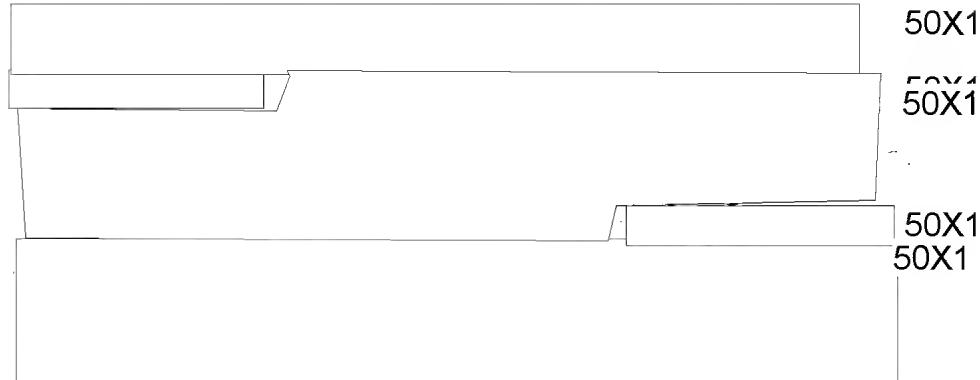
More personnel changes in the party leadership have come to light. In typical Chinese fashion, these have not been formally announced: new faces have simply appeared in old jobs.

It appears that the party has a new propaganda chief, Tao Chu, formerly a regional chief in the party apparatus. He is associated with a very tough attitude toward intellectuals and cultural figures. Tao is now a member of the powerful party secretariat which actually runs the party day-to-day.

The secretariat also has another new member, Yeh Chien-ying, a senior military training expert. Yeh's appointment suggests that he has replaced the military incumbent on the secretariat, who has up to now also been chief of staff.

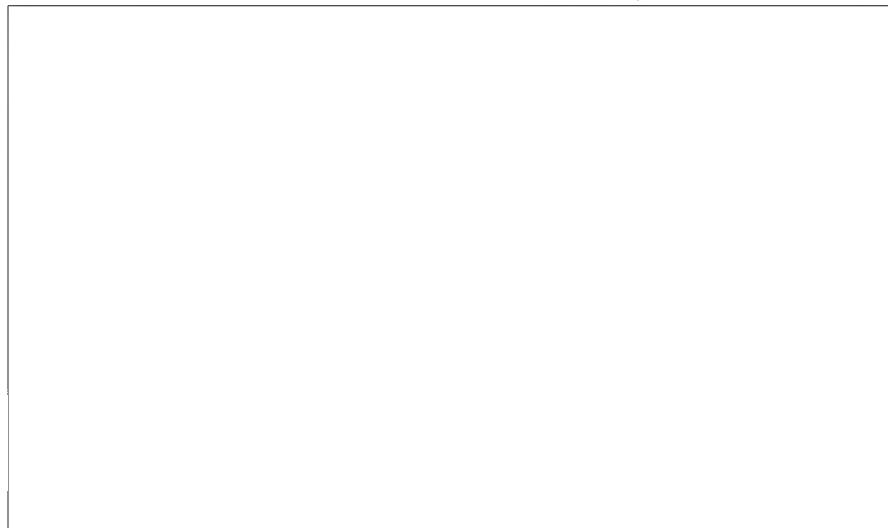
It is still too early to tell what the real pecking order is in Peking. Indeed, the shake-up that began early last month may not have run its course.

6. East Germany



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7. Cuba



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